

October 6, 2009

MEMORANDUM

TO: Deans, Directors and Department Heads

FROM: James H. Woodward, Chancellor

SUBJECT: Revised Spending Guidelines and Salary Increase Protocols

As you know the state's budget situation is still challenging but as we finalize our 2009-10 budget we have taken the opportunity to review and revise slightly our 2009-10 Expenditure Guidelines as per the attached. These guidelines are also available on Budget Central http://www.fis.ncsu.edu/rm/budget_central/.

Also attached are 2009-10 Salary Increase Protocols that are required as a result of the 2009-11 Appropriation Bill restrictions and guidelines issued by UNC-GA, the Office of State Budget and Management, and the Office of State Personnel. Please note that these protocols apply to all salary adjustments regardless of funding source. This memorandum will be posted on Budget Central.

Thank you for your continued support and assistance.

JHW/am

Attachments

**NC State University
Expenditure Guidelines
Effective October 6, 2009**

Effective October 6, 2009 and until further notice, NC State will follow the institutional spending restrictions below for all state-appropriated funds (projects 201000 - 249999 and 4XXX50). Appropriated receipts projects (projects 301000 – 349999 and 4XXX52) are excluded from these guidelines. All expenditures must be consistent with the college's or division's 10% budget reduction plan. Additional budget sanctions and restrictions could be imposed by OSBM if state revenues fall further behind budgeted levels so please restrict expenditures to the extend possible.

PERSONNEL EXPENDITURES:

1. Filling an established position is permitted in accordance with University guidelines but you are strongly encouraged to continue holding positions vacant where possible.
2. Creation of any new position that is funded fully or partially with state appropriations requires the prior approval of the Provost (for the Provost's units and the colleges) or Vice Chancellor for Finance and Business (for all other administrative divisions). Any such request must describe how the new position complies with the unit's budget reduction strategy for 2009-10 at the level reflected in budget reduction plans submitted through June 2009.
3. Salary increases should be restricted and in compliance with the 2009-10 Salary Increase Protocols issued on October 6, 2009, by Interim Provost Arden and Vice Chancellor Leffler. <http://www.ncsu.edu/budgetcentral/documents/SalaryProtocols.pdf>
4. Salary reallocations to state appropriated funds effective for periods prior to 7/1/09 are not permitted.

NON-PERSONNEL EXPENDITURES:

Deans and Vice Chancellors have the flexibility to determine how to best manage your budgets within your 10% reduction strategy. However, you are strongly encouraged to continue limiting the issuance of purchase orders for goods or services to the extent necessary to maintain minimum inventories (not more than 30 days).

TRAVEL RELATED EXPENDITURES:

All travel should be limited to the extent possible and consistent with University travel rules and regulations. <http://www.ncsu.edu/policies/finance/navigation.php/travel>